

Interview by Vinson & Elkins
with Gerald E. Boltz and Matthew D. Anhut
at footnote(s):

1236

MEMORANDUM

August 18, 2004

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TO: Investigation File
Richard C. Sauer

FROM: Paul Maco

RE: *City of San Diego*; Interview of Gerald E. Boltz and Matthew D. Anhut

This memorandum summarizes the telephone interview with Gerald E. Boltz and Matthew D. Anhut of Bryan Cave LLP. This memorandum does not contain a verbatim or a near-verbatim transcription of this interview, but rather is a general summary of my thoughts and impressions regarding our discussion. It is organized to summarize issues thematically and does not necessarily reproduce the order in which the interview actually occurred. There was no stenographer present during this interview, and given the nature of summarizing this type of discussion after the fact, this memorandum does not attempt to describe every statement or exchange and it is possible that there are errors in this account. It also assumes familiarity with the facts of this case, and does not provide context or explanation of every factual reference. Nor does it address issues of credibility or attempt to reconcile any differences between this interview and the accounts of other individuals.

This memorandum is subject to the attorney client and the attorney work product privileges, as it was prepared in connection with our providing legal advice to the City of San Diego (the "City") in connection with a potential SEC investigation regarding some of the matters discussed in this memorandum.

At the outset of the interview, Messrs. Boltz and Anhut were advised that we represented the City in connection with both an internal investigation regarding various matters related to errors in the City's financial statements and bond disclosures as well as an SEC and U.S. Attorney investigation touching on those same matters, that we represent the City, and that the City had waived its attorney-client privilege for matters between January 1996 and February 2000.

The subject of this brief telephone interview was the 5-page letter of October 29, 2001 from Messrs. Boltz and Anhut to Leslie J. Girard, Esq. Assistant City Attorney, captioned

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"Review of Disclosure Documents as to Lease Revenue Bonds 2001." (A copy of the letter is attached). Bryan Cave had been retained to provide advice relating to applicable federal securities laws to the City Council and the Board of Commissioners of the Public Facility Financing Authority of the City of San Diego in anticipation of the offering of the Lease Revenue Bonds 2001 for the new ballpark. As stated in its opening sentence, the letter "provides an overview of the applicable federal securities laws" and "a framework against which" the City Council and Board must review and evaluate the preliminary official statement and official statement.

Messrs. Boltz and Anhut said that the contents of the letter were also delivered to a closed session of the City Council as a "warning to them" of the requirements of federal securities laws and that the members were "cautioned greatly" as to these requirements. In the presentation, which followed the course of the letter, Mr. Boltz took the lead. Paul Webber and Les Girard were present. City Attorney Casey Gwinn may have been present. The context of the presentation was the heightened sensitivities following the allegations involving Councilmember Stallings; however, as in the letter itself, the need to take the steps identified was not explained as unique to the situation, but standard for municipal securities offerings.